

## Melbourne IT companies face court over alleged sham contracting and underpayments of foreign workers

9 January 2013

Note: Reference to prosecution in this media release is a general reference to the FWO commencing proceedings for the imposition of civil penalties and should not be taken to be a reference to criminal proceedings.

The Fair Work Ombudsman is prosecuting the operator of two Melbourne IT companies for alleged breaches of workplace laws relating to sham contracting, unlawful termination, falsification of records and underpaying two foreign workers more than \$17,000.

Melbourne man Pradeep Gaur and his two North Melbourne-based companies, Konsulteq Pty Ltd and Konsulteq Upskilling & Training Services Pty Ltd, will face court next month.

It is alleged that Mr Gaur was centrally involved in the companies breaching the workplace rights of two female employees - both Indian nationals - in 2010-2011.

After auditing the companies, Fair Work inspectors told Mr Gaur that employees had been misclassified as independent contractors and underpaid.

It's alleged that after the audit, Mr Gaur breached sham contracting laws by maintaining the two employees were contractors.

It is also alleged that one of the employees was underpaid her minimum wages and that the other employee was not paid any wages during a training program.

Mr Gaur allegedly provided a false document to the Fair Work Ombudsman, purporting to show that one of the employees had been back-paid outstanding entitlements, when no payment had been made.

Mr Gaur allegedly also breached the adverse action provisions of workplace laws by terminating one of the employees after she continued to complain about her pay.

Breaches relating to keeping employment records and issuing pay slips are also alleged.

Acting Fair Work Ombudsman, Bill Loizides, said the decision to prosecute was taken because of the seriousness of the alleged breaches.

Maximum penalties for each breach range up to \$6600 for individuals and \$33,000 for corporations.

The Fair Work Ombudsman will also seek court orders for the two employees to be repaid entitlements of \$717 and \$16,571 respectively, and seek further compensation for the worker whose employment was terminated.

A directions hearing is listed in the Federal Magistrates Court in Melbourne on February 11.

Employers and workers seeking assistance should visit [www.fairwork.gov.au](http://www.fairwork.gov.au) or contact the Fair Work Infoline on 13 13 94. A free interpreter service is available on 13 14 50.

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## Contact us

Fair Work Online: [www.fairwork.gov.au](http://www.fairwork.gov.au)

Fair Work Infoline: 13 13 94

Need language help?

Contact the Translating and Interpreting Service (TIS) on 13 14 50

Hearing & speech assistance

Call through the National Relay Service (NRS):

For TTY: 13 36 77. Ask for the Fair Work Infoline 13 13 94

Speak & Listen: 1300 555 727. Ask for the Fair Work Infoline 13 13 94

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